State of New Mexico
Energy Minerals and Natural Resources
Department Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505
https://www.emnrd.nm.gov/ocd/ocd-e-permitting/

Form C-147
Revised October 11, 2022

Recycling Facility and/or Recycling Containment

Type of Facility: ☑ Recycling Facility ☑ Recycling Containment*

Type of action: ☐ Permit ☐ Registration ☑ Extension ☐ Other (explain) Annual extension from 08/24/2025 - 08/24/2026
☐ Modification
☐ Closure

*** At the time C-147 is submitted to the division for a Recycling Containment, a copy shall be provided to the surface owner.**

Be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances.

1.
Operator: Matador Production Company (For multiple operators attach page with information) OGRID #: 228937
Address: One Lincoln Center. 5400 LBJ Freeway, Suite 1500, Dallas, TX, 75240
Facility or well name (include API# if associated with a well): Desoto Springs #3 Recycling Facility
OCD Permit Number: 1RF-498 (For new facilities the permit number will be assigned by the district office)
U/L or Qtr/Qtr G Section 5 Township 26S Range 36E County: Lea
Surface Owner: ☐ Federal ☐ State ☑ Private ☐ Tribal Trust or Indian Allotment

2.
☑ **Recycling Facility:**
Location of recycling facility (if applicable): Latitude _____ Longitude _____ NAD83
Proposed Use: ☑ Drilling* ☑ Completion* ☑ Production* ☑ Plugging *
The re-use of produced water may NOT be used until fresh water zones are cased and cemented
☐ Other, ***requires permit for other uses. Describe use, process, testing, volume of produced water and ensure there will be no adverse impact on groundwater or surface water.***
☑ Fluid Storage
☑ Above ground tanks ☑ Recycling containment ☐ Activity permitted under 19.15.17 NMAC explain type_____
☐ Activity permitted under 19.15.36 NMAC explain type:_____ ☐ Other explain _____
☑ For multiple or additional recycling containments, attach design and location information of each containment
☐ **Closure Report (required within 60 days of closure completion):** ☐ Recycling Facility Closure Completion Date:_____

3.
☑ **Recycling Containment:**
☑ Annual Extension after initial 5 years (attach summary of monthly leak detection inspections for previous year)
Center of Recycling Containment (if applicable): Latitude _____ Longitude _____ NAD83
☑ For multiple or additional recycling containments, attach design and location information of each containment
☐ Lined ☐ Liner type: Thickness _____mil ☐ LLDPE ☐ HDPE ☐ PVC ☐ Other _____
☐ String-Reinforced
Liner Seams: ☐ Welded ☐ Factory ☐ Other _____ Volume: _____bbl Dimensions: L_____ x W_____ x D_____
☐ Recycling Containment Closure Completion Date:_____

4.

Bonding:

☑ Covered under bonding pursuant to 19.15.8 NMAC per 19.15.34.15(A)(2) NMAC **(These containments are limited to only the wells owned or operated by the owners of the containment.)**

☐ Bonding in accordance with 19.15.34.15(A)(1). Amount of bond $_____ **(work on these facilities cannot commence until bonding amounts are approved)**

☐ Attach closure cost estimate and documentation on how the closure cost was calculated.

5.

Fencing:

☐ Four foot height, four strands of barbed wire evenly spaced between one and four feet

☑ Alternate. Please specify 8' game fence topped with single strand of barbed wire

6.

Signs:

☑ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers

☑ Signed in compliance with 19.15.16.8 NMAC

7.

Variances:

Justifications and/or demonstrations that the proposed variance will afford reasonable protection against contamination of fresh water, human health, and the environment.

Check the below box only if a variance is requested:

☑ Variance(s): Requests must be submitted to the appropriate division district for consideration of approval. If a Variance is requested, include the variance information on a separate page and attach it to the C-147 as part of the application.

If a Variance is requested, it must be approved prior to implementation.

8.

Siting Criteria for Recycling Containment

Instructions: The applicant must provide attachments that demonstrate compliance for each siting criteria below as part of the application. Potential examples of the siting attachment source material are provided below under each criteria.

General siting

Ground water is less than 50 feet below the bottom of the Recycling Containment. NM Office of the State Engineer - iWATERS database search; USGS; Data obtained from nearby wells	☐ Yes ☑ No ☐ NA
Within incorporated municipal boundaries or within a defined municipal fresh water well field covered under a municipal ordinance adopted pursuant to NMSA 1978, Section 3-27-3, as amended. - Written confirmation or verification from the municipality; written approval obtained from the municipality	☐ Yes ☑ No ☐ NA
Within the area overlying a subsurface mine. - Written confirmation or verification or map from the NM EMNRD-Mining and Minerals Division	☐ Yes ☑ No
Within an unstable area. - Engineering measures incorporated into the design; NM Bureau of Geology & Mineral Resources; USGS; NM Geological Society; topographic map	☐ Yes ☑ No
Within a 100-year floodplain. FEMA map	☐ Yes ☑ No
Within 300 feet of a continuously flowing watercourse, or 200 feet of any other significant watercourse, or lakebed, sinkhole, or playa lake (measured from the ordinary high-water mark). - Topographic map; visual inspection (certification) of the proposed site	☐ Yes ☑ No
Within 1000 feet from a permanent residence, school, hospital, institution, or church in existence at the time of initial application. - Visual inspection (certification) of the proposed site; aerial photo; satellite image	☐ Yes ☑ No
Within 500 horizontal feet of a spring or a fresh water well used for domestic or stock watering purposes, in existence at the time of initial application. - NM Office of the State Engineer - iWATERS database search; visual inspection (certification) of the proposed site	☐ Yes ☑ No
Within 500 feet of a wetland. - US Fish and Wildlife Wetland Identification map; topographic map; visual inspection (certification) of the proposed site	☐ Yes ☑ No

9.
Recycling Facility and/or Containment Checklist:
Instructions: Each of the following items must be attached to the application. Indicate, by a check mark in the box, that the documents are attached.

- ☐ Design Plan - based upon the appropriate requirements.
- ☐ Operating and Maintenance Plan - based upon the appropriate requirements.
- ☐ Closure Plan - based upon the appropriate requirements.
- ☐ Site Specific Groundwater Data -
- ☐ Siting Criteria Compliance Demonstrations –
- ☑ **Certify that notice of the C-147 (only) has been sent to the surface owner(s)**

10.
Operator Application Certification:
I hereby certify that the information and attachments submitted with this application are true, accurate and complete to the best of my knowledge and belief.

Name (Print): James Styers Title: Operations Engineer
Signature: James Styers Date: 08/06/2025
e-mail address: james.styers@matadorresources.com Telephone: 972-677-2284

11.
OCD Representative Signature: Victoria Venegas **Approval Date:** 08/07/2025
Title: Environmental Specialist **OCD Permit Number:** 1RF-498

- ☒ OCD Conditions
- ☒ Additional OCD Conditions on Attachment

Recycle Facility/Containments:

1. In Ground Containment
    a. Location: 32.07473, -103.28225
    b. Lined: 40 Mil HDPE Secondary and 60 Mil HDPE Primary Liner
    c. Seams: Welded
    d. Volume (Below Free board): 984,770 bbls
2. O60K AST
    a. Location: 32.0760575, -103.2829402
    b. Lined: 40 Mil dual LLDPE Primary Liner and 60 Mil HDPE Secondary Liner
    c. Seams: Welded
    d. Volume: 60,000 bbls
    e. Dimensions: 12'3.5" Height X 191' Diameter
3. M60 AST
    a. Location: 32.0758329, -103.2839162
    b. Lined: 40 Mil LLDPE Secondary and Primary Liner
    c. Seams: Welded
    d. Volume: 60,000 bbls
    e. Dimensions: 12'3.5" Height X 191' Diameter
4. 40K AST
    a. Location: 32.0758458, -103.2846368
    b. Lined: 40 Mil LLDPE Secondary and Primary Liner
    c. Seams: Welded
    d. Volume: 40,000 bbls
    e. Dimensions: 12'3.5" Height X 159'2" Diameter

	Desoto Pond						O60K										Inspector	
Date	Leak Detection	Liner	Oil Visibility	Containment	Wild Life	Fencing	Leak Detection	Liner	Clips	Oil Visibility	Containment	Netting	Wild Life	Fencing	Tank Panels	H2S Present	Inspector	Comments
7/5/24	Dry	Good	None	Good	None	Good	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	9k ppm	AB	
8/2/2024	Dry	Good	None	Good	None	Good	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	11k ppm	AB	
8/9/2024	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	11k ppm	AB	
8/16/2024	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	
8/23/2024	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	
8/30/2024	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	
9/6/2024	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	
9/13/2024	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	
9/20/2024	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	
9/27/2024	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	
10/4/2024	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	
10/11/2024	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	5k ppm	AB	
10/18/2024	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	10k ppm	AB	
10/25/2024	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	
11/1/2024	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	9k ppm	AB	
11/8/2024	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	8k ppm	AB	
11/15/2024	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	10k ppm	AB	
11/22/2024	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	11k ppm	AB	
11/29/2024	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	8k ppm	AB	
12/6/2024	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	
12/13/2024	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	
12/20/2024	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	
12/27/2024	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	
1/3/2025	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	
1/10/2025	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	
1/17/2025	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	
1/24/2025	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	
1/31/2025	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	
2/7/2025	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	
2/14/2025	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	
2/21/2025	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	
2/28/2025	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	7k ppm	AB	
3/7/2025	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	
3/14/2025	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	
3/21/2025	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	15k ppm	AB	
3/28/2025	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	15k ppm	AB	
4/4/2025	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	18k ppm	AB	
4/11/2025	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	20k ppm	AB	
4/18/2025	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	20k ppm	AB	
4/25/2025	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	15k ppm	AB	
5/2/2025	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	20k ppm	AB	
5/9/2025	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	15k ppm	AB	
5/16/2025	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	15k ppm	AB	
5/23/2025	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	
5/30/2025	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	
6/6/2025	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	
6/13/2025	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	
6/20/2025	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	
6/27/2025	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	
7/4/2025	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	
7/11/2025	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	
7/18/2025	Dry	Good	Good	Good	Good	Good	Dry	Dry	Dry	Minimal	Good	Good	Good	Good	Good	2k+ ppm	AB	

	M60K										40K										Inspector	
Date	Leak Detection	Liner	Clips	Oil Visibility	Containment	Netting	Wild Life	Fencing	Tank Panels	H2S Present	Leak Detection	Liner	Clips	Oil Visibility	Containment	Netting	Wild Life	Fencing	Tank Panels	H2S Present	Inspector	Comments
7/5/2024	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
8/2/2024	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
8/9/2024	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
8/16/2024	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
8/23/2024	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
8/30/2024	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
9/6/2024	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
9/13/2024	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
9/20/2024	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
9/27/2024	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
10/4/2024	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
10/11/2024	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
10/18/2024	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
10/25/2024	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
11/1/2024	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
11/8/2024	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
11/15/2024	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
11/22/2024	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
11/29/2024	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
12/6/2024	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
12/13/2024	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
12/20/2024	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
12/27/2024	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
1/3/2025	WET	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
1/10/2025	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	Replacing Liner on M60/M60 drained liner repair
1/17/2025	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
1/24/2025	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
1/31/2025	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	M60 back in service
2/7/2025	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
2/14/2025	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
2/21/2025	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
2/28/2025	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
3/7/2025	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
3/14/2025	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
3/21/2025	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
3/28/2025	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
4/4/2025	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
4/11/2025	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
4/18/2025	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
4/25/2025	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
5/2/2025	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
5/9/2025	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
5/16/2025	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
5/23/2025	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
5/30/2025	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
6/6/2025	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
6/13/2025	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
6/20/2025	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
6/27/2025	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
7/4/2025	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
7/11/2025	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	
7/18/2025	Dry	Good	Yes	Minimal	Good	Good	None	Good	Good	0 PPM	Dry	Good	Yes	None	Good	Good	None	Good	Good	0 PPM	AB	

Venegas, Victoria, EMNRD

From: Venegas, Victoria, EMNRD
Sent: Thursday, August 7, 2025 2:28 PM
To: Ben Snapka; james.styers@matadorresources.com
Subject: 1RF-498 - DESOTO SPRINGS FACILITY ID #3 [fVV2234954815]
Attachments: C-147 1RF-498 - DESOTO SPRINGS #3 FACILITY ID [fVV2234954815] 08.07.2025.pdf

1RF-498 - DESOTO SPRINGS FACILITY ID #3 [fVV2234954815]

Good afternoon Mr. Snapka.

NMOD has reviewed the determination of registration/permit annual extension request for 1RF-498 - DESOTO SPRINGS FACILITY ID #3 [fVV2234954815] received from [228937] MATADOR PRODUCTION COMPANY on 08/06/2025, Application ID **492843**. The registration/permit extension request is approved with the following conditions of approval:

- 1RF-498 - DESOTO SPRINGS FACILITY ID #3 [fVV2234954815] is approved for one (1) year of operation from the date of the previous registration/permit expiration date of August 24, 2025. The new registration/permit expiration date is August 24, 2026.
- [228937] MATADOR PRODUCTION COMPANY, will continue to operate, maintain, and close the 1RF-498 - DESOTO SPRINGS FACILITY ID #3 [fVV2234954815] in compliance with 19.15.34 NMAC, to include but not limited to the performance of weekly inspections regardless of fluid levels in the containment; recording of detailed inspection reports; removal of debris, foreign objects and oil from the containment; and monthly reporting of recycling and reuse of produced water, drilling fluids, and liquid oil field waste via from C-148.
- The recycling containment is bonded pursuant to 19.15.8 NMAC per 19.15.34.15(A)(2) NMAC. Water reuse and recycling from 1RF-498 - DESOTO SPRINGS FACILITY ID #3 [fVV2234954815] is limited to wells owned or operated by [228937] MATADOR PRODUCTION COMPANY.
- [228937] MATADOR PRODUCTION COMPANY will maintain a liquid level in the containment that is at least equal to the weight of the liner plus 20%. [228937] MATADOR PRODUCTION COMPANY may maintain a higher liquid level if they choose.
- If less than 20% of the total fluid capacity is utilized every consecutive six months, operation of the facility is considered ceased and notification of cessation of operations should be sent electronically to OCD Permitting. An extension to extend the cessation of operations, not to exceed six months, may be submitted using a C-147 Long form through OCD Permitting. However, if after that 6-month period, the containment was not utilized at a minimum of 20% fluid capacity, no additional extensions would be granted, and the operator would be directed to remove all fluids and proceed with the closure requirements.
- A minimum of 3-feet freeboard must be maintained in the recycling containment at all times.
- [228937] MATADOR PRODUCTION COMPANY will comply with 19.15.29 NMAC Releases in the event of any release of produced water or produced water or other oil field wastes at 1RF-498 - DESOTO SPRINGS FACILITY ID #3 [fVV2234954815]. [228937] MATADOR PRODUCTION COMPANY will comply with all other OCD rules.
- [228937] MATADOR PRODUCTION COMPANY must perform weekly inspections of the containment and leak detection system.
- If [228937] MATADOR PRODUCTION COMPANY wishes to extend the registration/permit past August 24, 2026, a registration/permit extension request must be submitted to OCD. Extension requests are reviewed on a case-by-case basis and evaluated on their merit. Extensions are considered for a maximum length of one year. Additional requests must be submitted to OCD through OCD Permitting on a Form C-147 (long

form) as an Extension request and should include a formal extension request letter, a summary of the prior registration/permit period inspection reports, and the copies of the detailed inspection records for the prior permit period. The extension request should be submitted no later than July 24, 2026.

NOTE: Inspection records show that an AST required a liner repair in January 2025. The OCD was not notified of this issue.

Per *19.15.34.13.(4): If the containment's primary liner is compromised above the fluid's surface, the operator shall repair the damage or initiate replacement of the primary liner within 48 hours of discovery or seek an extension of time from the division district office.*
19.15.34.13.(5) If the primary liner is compromised below the fluid's surface, the operator shall remove all fluid above the damage or leak within 48 hours of discovery, notify the division district office and repair the damage or replace the primary liner.

Please note that the NMOCD expects operators to properly maintain and operate their leak detection systems in accordance with the requirements of NMAC 19.15.34.

Best regards,

Victoria Venegas ● Environmental Specialist Advanced
EMNRD - Oil Conservation Division
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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Operator:	OGRID:
MATADOR PRODUCTION COMPANY One Lincoln Centre Dallas, TX 75240	228937
	Action Number: 492843
	Action Type: [C-147] Water Recycle Long (C-147L)

CONDITIONS

Created By	Condition	Condition Date
vvenegas	• 1RF-498 - DESOTO SPRINGS FACILITY ID #3 [fVV2234954815] is approved for one (1) year of operation from the date of the previous registration/permit expiration date of August 24, 2025. The new registration/permit expiration date is August 24, 2026. • If [228937] MATADOR PRODUCTION COMPANY wishes to extend the registration/permit past August 24, 2026, a registration/permit extension request must be submitted to OCD no later than July 24, 2026. NOTE: Inspection records show that an AST required a liner repair in January 2025. The OCD was not notified of this issue. Please note that the NMOCD expects operators to properly maintain and operate their leak detection systems in accordance with the requirements of NMAC 19.15.34.	8/7/2025